

Clash on 'Rules'

ITT Probers Hear Nixon Aide

WASHINGTON (AP) — Peter M. Flanigan, senior adviser to President Nixon, said today he gave a consultant who was to prepare an independent financial analysis of a divestiture by International Telephone & Telegraph Corp., a report he believed clearly represented the case of the giant conglomerate.

Flanigan's appearance before the Senate Judiciary Committee to explain his role in the hiring of Richard Ramsden, a New York financial consultant, quickly became ensnared over the ground rules under which he was to give testimony.

He appeared on the 20th—and what may be the last—day of public hearings in the controversy surrounding Acting Atty. Gen. Richard G. Kleindienst and the ITT.

Flanigan had agreed and the committee had accepted the agreement, to have him testify only in four specific areas: his connection with the hiring of the financial consultant, his knowledge of San Diego obtaining the Republican national convention and his participation in two meetings at which ITT officials were present.

Sen. Philip Hart, D-Mich., asked Flanigan if antitrust litigation against ITT and antitrust policy were discussed at the two meetings. The White House aide said no.

Hart then asked apart from the two meetings had Felix Rohatyn, an ITT director, or any other of the corporation's officials ever expressed the effect of the divestiture of the Hartford Fire Insurance Co. by ITT on the market, the brokerage houses and the economy.

Flanigan started to answer but then said that he could not respond because the ques-

tion was not within the scope of the ground rules that had been laid down for his appearance.

Flanigan said the committee members had voted 12 to 1 to limit the scope of their questioning of him and the White House permitted him to appear only under those guidelines.

"I respectfully declined," he said.

Sen. Edward M. Kennedy, D-Mass., the only dissenter in the committee on the ground rules, said, "I'm getting happier and happier with my vote."

Sen. Birch Bayh, D-Ind., said he had voted with the majority but that he thought that the committee had discussed in the executive session in which the guidelines were drawn that it was understood that members would be able to explore topics that were relevant with ITT.

"I DON'T see how this committee can discharge its responsibility relative to Mr. Flanigan's involvement unless questions like the one phrased by Sen. Hart are permitted to be pursued," he said.

Hart cut off the discussion by telling Chairman James O. Eastland, D-Miss., that he would rephrase his question.

The Michigan Democrat then asked Flanigan how he acquired a memorandum on the economic consequences of the divestiture of Hartford by ITT which he had given to Ramsden. Earlier testimony had shown that Rohatyn had written the memorandum which said that the divestiture would be devastating to ITT stockholders. Ramsden's independent analysis, which he said he conducted after reading the Rohatyn memorandum, reached the same conclusion.

The memorandum contained no identification that it was written by Rohatyn or by anyone employed by ITT.

Flanigan said that the memorandum was given to him by then Asst. Atty. Gen. Richard McLaren, head of the Justice Department's antitrust division, for the purpose of "my getting for him a financial analysis of that document."

He said he did not recall that McLaren told him that it was done by an ITT official "but I assumed that it was because it clearly presented their case."

Hart then said he would not